

2023 RETIREMENT PLAN CONTRIBUTION LIMITS



Changes to 2023 Contribution Saving Limits

Contribution	2022 Limit	2023 Limit	Change
401(k)/403(b) Employee Contribution	\$20,500	\$22,500	\$2,000
401(k)/403(b) Catch-up Contribution	\$6,500	\$7,500	\$1,000
401(k)/403(b) Total Contribution < 50	\$61,000	\$66,000	\$5,000
401(k)/403(b) Total Contribution 50+	\$67,500	\$73,500	\$6,000
457(b) Contribution	\$20,500	\$22,500	\$2,000
Traditional IRA Contribution	\$6,000	\$6,500	\$500
Traditional IRA Catch-up Contribution	\$1,000	\$1,000	\$0
Roth IRA Contribution	\$6,000	\$6,500	\$500
Roth IRA Catch-up Contribution	\$1,000	\$1,000	\$0
SEP-IRA Contribution	\$61,000	\$66,000	\$5,000
SIMPLE IRA/SIMPLE 401(k) Contribution	\$14,000	\$15,500	\$1,500
HSA Contribution (single)	\$3,650	\$3,850	\$200
HSA Contribution (family)	\$7,300	\$7,750	\$400
Healthcare FSA Contribution	\$2,850	\$3,050	\$200

Additional Details Regarding Contribution Saving Limits

2023 401(k) and 403(b) Employee Contribution Limit

The total employee contribution limit to all 401(k) and 403(b) plans for those under 50 will be going up from \$20,500 in 2022 to \$22,500 in 2023, a large increase. The catch-up contribution limit should increase from \$6,500 to \$7,500, so if you're 50+, your 401(k) employee contribution limits should be \$30,000 in 2023.

2023 401(k)/403(b)/401(a) Total Contribution Limit

For 2023, the total of all employee and employer contributions per employer should increase from \$61,000 in 2022 to \$66,000 in 2023 for those under 50. Since the catch-up contribution has increased to \$7,500, the total contribution for those 50+ should be \$73,500.

Note that the 401(a) limit is separate from the 403(b) limit. So, you could theoretically get \$66,000 into each of them.

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2023 457(b) Contribution Limit

457(b) contribution limits will increase from \$20,500 to \$22,500 in 2023.

2023 Traditional and Roth IRA Contribution Limits

After two years of staying put at \$6,000, IRA contribution limits and catch-up contributions will increase in 2023 to \$6,500 (\$7,500 if 50+).

2023 SEP IRA Contribution Limits

SEP-IRA contribution limits will increase to \$66,000 per year for 2023, up from \$61,000 per year in 2022.

2023 SIMPLE IRA and SIMPLE 401(k) Contribution Limits

The SIMPLE IRA and SIMPLE 401(k) contribution limits will increase from \$14,000 in 2022 to \$15,500 in 2023.

2023 Health Savings Account (HSA) Contribution Limits

For single people, the HSA contribution limit will increase from \$3,650 in 2022 to \$3,850 in 2023. Family coverage will increase from \$7,300 to \$7,750.

2023 Flexible Savings Account (FSA) Contribution Limits

Healthcare FSA contribution limits will increase from \$2,850 in 2022 to \$3,050 in 2023.

Other Interesting Increases

The 401(a) compensation limit (the amount of earned income that can be used to calculate retirement account contributions) will increase from \$305,000 in 2022 to \$330,000 in 2023. This is always 5X the maximum 401(k) plan total contribution limit.

The deductability phaseout for IRA contributions for those with a retirement plan at work should increase from \$68,000-\$78,000 in 2022 for singles to \$73,000-\$83,000 in 2023, and it'll move from \$109,000-\$129,000 in 2022 for those married filing jointly to \$117,000-\$137,000 in 2023,

The Roth IRA Direct Contribution Limit phaseout will increase from \$129,000-\$144,000 in 2022 for singles to \$138,000-\$153,000 in 2023 and from \$204,000-\$214,000 for 2022 for those Married Filing Jointly to \$218,000-\$228,000 in 2023. If your MAGI is above that, you'll need to contribute indirectly via the Backdoor Roth IRA process.

The Defined Benefit Plan 415(b) limit for maximum annuity limit will increase from \$245,000 in 2022 to \$265,000 in 2023.

Highly-compensated employee definition should increase from \$135,000 in 2022 to \$150,000 in 2023.